

**North Mississippi Medical Center, Inc.,
Clay County Medical Corporation,
And Webster Health Services, Inc.
(The Obligated Group)
Combined Balance Sheets**

	(Audited) September 30, 2016	(Unaudited) December 31, 2015	(Unaudited) December 31, 2016
Assets:			
Operating Cash	\$14,346,884.76	\$9,068,246.06	\$7,535,349.84
Investments	517,704,104.06	488,846,028.74	516,156,717.39
Total Cash and Investments	532,050,988.82	497,914,274.80	523,692,067.23
Accounts Receivable, net of Reserve for Contractuals	197,848,337.52	192,474,306.99	179,634,724.91
Reserve for Uncollectibles	(60,538,628.40)	(54,112,995.31)	(35,678,782.87)
Net Accounts Receivable	137,309,709.12	138,361,311.68	143,955,942.04
Accounts Receivable - Tupelo Service Finance	101,067,157.59	94,868,823.79	110,661,620.54
Reserve for Uncollectibles	(90,064,508.28)	(83,670,945.43)	(99,227,696.36)
Net Receivable from Tupelo Service Finance	11,002,649.31	11,197,878.36	11,433,924.18
Intercompany Receivables	0.00	87,153.89	0.00
Other Receivables	2,211,135.60	1,559,974.54	2,194,663.94
Notes Receivable	25,261,000.00	6,838,000.00	31,761,000.00
Inventories	19,433,162.05	19,596,380.35	20,514,291.08
Prepaid Expenses	3,773,832.12	4,315,616.79	3,816,219.65
Prepaid Collection Fees	2,261,691.83	2,312,220.96	2,317,987.83
Other Assets	5,245,037.85	6,556,297.26	4,807,951.38
Property, Plant and Equipment, net of Accumulated Depr.	245,327,454.57	255,589,313.20	240,532,400.01
Trusted Bond Funds	1,831,900.38	1,047.65	48,754.87
Deferred Compensation Trust Fund	8,603,118.75	7,450,888.73	8,752,744.50
Interest in Net Assets of Foundation	2,422,551.67	2,269,019.27	2,422,551.67
Investments Board Restricted for Capital Improvements	65,937,899.24	62,731,558.42	65,966,291.04
Total Assets	<u>\$1,062,672,131.31</u>	<u>\$1,016,780,935.90</u>	<u>\$1,062,216,789.42</u>
Liabilities and Capital:			
Accounts Payable	\$29,865,441.47	\$16,784,173.10	\$23,009,591.54
Accrued Salaries & Wages	2,741,608.45	5,682,623.86	6,958,808.95
Accrued Incentive Bonus	233,037.43	2,845,659.45	2,432,360.00
Payroll Taxes and Withholdings	2,862,507.62	2,772,278.60	3,433,131.22
Accrued Compensated Absences	13,175,062.96	12,830,503.75	13,331,443.96
Accrued Worker's Compensation Costs	2,278,190.66	2,462,352.70	2,310,193.29
Accrued Deferred Compensation Costs	8,603,118.75	7,450,888.73	8,752,744.50
Other Accrued Expenses	461,286.43	1,014,136.32	1,035,857.17
Due to Third Party Payors	4,535,401.22	3,102,373.96	4,711,597.32
Accrued Pension Liability	113,288,058.56	79,551,600.39	113,026,394.51
Deferred Revenue	52,625.45	43,504.38	48,309.96
Deferred Liability - License Fees	6,390,856.75	7,364,836.22	5,894,549.06
Interest Rate Swap Valuation Payable	7,657,905.40	5,416,630.15	4,769,216.00
Intercompany Payables	15,475,842.15	0.00	14,380,691.71
Bonds Payable	155,485,177.02	163,627,849.39	155,373,091.83
Accrued Bond Interest	2,139,617.39	1,015,098.33	1,036,842.15
Total Liabilities	365,245,737.71	311,964,509.33	360,504,823.17
Unrestricted Net Assets	662,792,910.11	697,719,013.54	697,069,540.76
Temporarily Restricted Net Assets	353,866.09	200,597.69	353,866.09
Permanently Restricted Net Assets	2,986.75	2,722.75	2,986.75
Revenues in Excess of Expenses	34,276,630.65	6,894,092.59	4,285,572.65
Total Capital	697,426,393.60	704,816,426.57	701,711,966.25
Total Liabilities and Capital	<u>\$1,062,672,131.31</u>	<u>\$1,016,780,935.90</u>	<u>\$1,062,216,789.42</u>

**North Mississippi Medical Center, Inc.,
Clay County Medical Corporation,
And Webster Health Services, Inc.
(The Obligated Group)
Combined Statements of Operations**

	(Audited) September 2016	(Unaudited) Three Months Ended December 2015	(Unaudited) Three Months Ended December 2016
Operating Revenue:			
Patient Service Revenue:			
Inpatient Revenue	\$1,127,710,962.91	\$271,865,199.81	\$320,711,681.66
Outpatient Revenue	1,423,363,435.49	352,429,526.67	405,177,744.07
Total Patient Service Revenue	<u>2,551,074,398.40</u>	<u>624,294,726.48</u>	<u>725,889,425.73</u>
Deductions from Revenue:			
Medicare Allowance	(932,767,410.98)	(228,502,839.37)	(272,580,052.04)
Other Allowances	(782,058,810.20)	(188,254,031.07)	(228,987,477.96)
Provision for Uncollectible Accounts	(118,148,649.45)	(31,575,054.77)	(35,722,901.65)
Net Patient Service Revenue	<u>718,099,527.77</u>	<u>175,962,801.27</u>	<u>188,598,994.08</u>
Other Operating Revenue	18,586,937.84	3,919,189.28	3,416,683.13
Total Operating Revenue	<u>736,686,465.61</u>	<u>179,881,990.55</u>	<u>192,015,677.21</u>
Operating Expenses:			
Salaries and Wages	270,048,399.38	64,553,305.76	70,815,555.28
Employee Benefits	100,380,846.83	23,747,776.74	25,580,308.28
Supplies	88,525,885.67	21,618,231.02	25,158,456.49
Drugs	69,526,984.03	16,161,694.94	17,338,570.59
Professional Services	23,712,221.55	6,890,794.66	5,288,474.74
Purchased Services	24,748,654.63	5,294,261.16	6,757,187.57
Administrative and General	101,208,634.63	23,726,417.98	23,677,110.57
Rental Expense	2,960,335.96	793,593.57	706,181.03
Interest Expense	4,583,997.30	1,169,094.09	1,263,447.71
Depreciation Expense	43,628,858.16	10,593,732.20	10,861,268.20
Total Operating Expenses	<u>729,324,818.14</u>	<u>174,548,902.12</u>	<u>187,446,560.46</u>
Income (Loss) From Operations	7,361,647.47	5,333,088.43	4,569,116.75
Gain (Loss) on Swap Valuations	159,349.59	150,305.75	0.00
Nonoperating Revenue	26,876,449.59	4,130,408.41	1,923,528.90
Total Nonoperating Revenue	<u>27,035,799.18</u>	<u>4,280,714.16</u>	<u>1,923,528.90</u>
Revenue, Gains and Other Support in Excess of (Less than) Expenses and Losses Before Accrual for Incentive Bonus	34,397,446.65	9,613,802.59	6,492,645.65
Accrual for Incentive Bonus	120,816.00	2,719,710.00	2,207,073.00
Revenues, Gains and Other Support in Excess of (Less than) Expenses and Losses After Accrual for Incentive Bonus	<u><u>\$34,276,630.65</u></u>	<u><u>\$6,894,092.59</u></u>	<u><u>\$4,285,572.65</u></u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.
CERTAIN UTILIZATION STATISTICS

	<u>Fiscal Year Ended</u> <u>September 30, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2015</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>
Beds in Service	610	610	610
Admissions - Hospital Total	26,097	6,199	6,905
Patient Days - Acute Discharged	113,591	28,207	29,051
Acute Discharges	23,632	5,634	6,206
Acute Discharged Average Length of Stay	4.8	5.0	4.7
Percent of Occupancy	50.9%	50.3%	51.8%
Surgical Procedures	16,008	4,007	4,389
Emergency Visits	89,571	21,443	21,653
Outpatient Visits	413,435	100,299	102,833
Home Care Visits	156,639	39,831	41,537

CLAY COUNTY MEDICAL CORPORATION
CERTAIN UTILIZATION STATISTICS

	<u>Fiscal Year Ended</u> <u>September 30, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2015</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>
Beds in Service	60	60	53
Admissions - Hospital Total	1,366	377	326
Patient Days - Acute Discharged	3,739	1,083	786
Acute Discharges	1,175	329	276
Acute Discharged Average Length of Stay	3.2	3.3	2.9
Percent of Occupancy	17.0%	19.6%	16.2%
Surgical Procedures	1,035	221	291
Emergency Visits	14,167	3,519	3,544
Outpatient Visits	34,372	7,799	9,447

WEBSTER HEALTH SERVICES, INC.
CERTAIN UTILIZATION STATISTICS

	<u>Fiscal Year Ended</u> <u>September 30, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2015</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>
Beds in Service	38	38	38
Admissions - Hospital Total	1,334	301	310
Patient Days - Acute Discharged	3,534	819	902
Acute Discharges	992	223	242
Acute Discharged Average Length of Stay	3.6	3.7	3.7
Percent of Occupancy	25.4%	23.4%	25.8%
Emergency Visits	7,719	1,827	1,949
Outpatient Visits	34,805	9,114	8,335